



NATIONAL BISCUIT COMPANY

ANNUAL REPORT

JANUARY 31, 1913

To the Stockholders of

NATIONAL BISCUIT COMPANY

The following is the balance sheet of the Company at the close of business, January 31, 1913:

ASSETS

Plants, Real Estate, Machinery, Patents, etc.	\$54,040,124.91	
Less Depreciation Account	<u>300,000.00</u>	\$53,740,124.91
Cash	\$3,910,377.90	
Stocks and Securities	785,485.75	
Accounts Receivable	3,168,356.31	
Raw Material, Supplies and Finished Product	<u>5,225,060.59</u>	\$13,089,280.55
		<u>\$66,829,405.46</u>

LIABILITIES

Capital Stock, Preferred	\$24,804,500.00	
Capital Stock, Common	<u>29,236,000.00</u>	\$54,040,500.00
Accounts Payable		\$ 485,816.48
Balance January 31, 1912	\$11,546,545.09	
Earnings twelve months to January 31, 1913, inclusive	<u>4,539,378.89</u>	
	\$16,085,923.98	
Less dividends paid twelve months to January 31, 1913, inclusive	<u>3,782,835.00</u>	\$12,303,088.98
		<u>\$66,829,405.46</u>

The balance sheet shows the financial condition of the Company at the close of its fifteenth year. The sole indebtedness is for raw materials and supplies, the bills for which were not adjusted or payable before the close of the fiscal year.

Up to January 31, 1913, fifty-nine consecutive quarterly dividends of one and three-fourths per cent. have been declared and paid on the preferred stock. Since August 15, 1899, fifty-eight dividends have been declared and paid on the common stock:---thirty quarterly dividends of one per cent.; eight quarterly dividends of one and one-fourth per cent.; eight quarterly dividends of one and one-half per cent.; eight quarterly dividends of one and three-fourths per cent.; three extra dividends of one per cent. each in 1906, 1907

and 1908; and one extra dividend of two per cent. in 1911.

The number of stockholders of the Company shortly after its organization was about thirteen hundred. At the close of the present fiscal year the number has increased to seventy-eight hundred and sixty-nine.

As early as February, 1901, the Company adopted the plan, now so generally followed and approved, of assisting its employees to purchase its preferred stock, paying for it in installments. Under this plan twenty-eight hundred and fifteen of the fifteen thousand employees of the Company are at present stockholders, holding eighty-nine hundred and twenty-three shares. This is exclusive of a very large amount of stock, both common and preferred, held by directors, officers, heads of departments and principal managers.

It is said that imitation is the most sincere form of flattery. We have over two hundred competitors in the United States alone. About two-thirds of these competitors have imitated, in some manner, some of our trade names and trade marks. The number of such imitations which have been stopped, either with or without litigation, has now reached the total of six hundred and seventy-six. This condition further emphasizes the fact, so often referred to heretofore, that the most valuable asset of the Company is its trade names and trade marks, representing a good-will which the public has conferred upon us.

Last year we announced the completion and operation of a new plant at Kansas City, with about three times the capacity of our old plant at that point. We have devoted

this year to the improvement of existing plants, and especially have increased the efficiency of the plants at Chicago, Detroit, Buffalo and Memphis. However, again it has become imperative to provide more capacity to take care of the business of the Company. Plans have been prepared and contracts soon will be let for the erection of a large additional building in New York City, on a site long held by us for the purpose, and immediately adjoining the site of our present New York plant.

The products of the Company, both in quality and variety, were never as satisfactory as at present. Noteworthy improvements have been made in manufacturing methods, as well as in the extensive distributing service of the Company, which extends from Coast to Coast.

Many instances have come to our notice in the past year of the helpfulness of our stockholders in advancing the business of the Company, and we are encouraged to believe that still greater results may be obtained by the personal co-operation of all our stockholders in extending the good-will of the Company with the purchasing public, for we have only that business which the public voluntarily gives us.

Respectfully submitted,

A. W. GREEN

President

DIRECTORS

H. J. EVANS	N. B. REAM	A. W. GREEN
S. S. MARVIN	W. H. MOORE	J. B. VREDENBURGH
S. A. SEARS	F. M. PETERS	H. M. HANNA
F. L. HINE	J. D. RICHARDSON	T. S. OLLIVE
L. D. DOZIER	F. A. KENNEDY	J. W. OGDEN

OFFICERS

A. W. GREEN	President
J. D. RICHARDSON	First Vice-President
T. S. OLLIVE	Second Vice-President
F. W. WALLER	Third Vice-President
F. E. BUGBEE	Secretary and Treasurer

EXECUTIVE COMMITTEE

N. B. REAM	J. D. RICHARDSON
F. L. HINE	T. S. OLLIVE
W. H. MOORE	A. W. GREEN

GENERAL COUNSEL

EARL D. BABST

TRANSFER AGENT	REGISTRAR
GUARANTY TRUST COMPANY	FIRST NATIONAL BANK
NEW YORK	NEW YORK